

# THE SCHOOL ADMINISTRATOR

## and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 183

September 2008

### ITEMS TO REMEMBER

#### SEPTEMBER

September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

September 1: Legal Holiday - Labor Day. (IC 1-1-9-1)

September 10: Last day for first publication of budgets for all school corporations (10 days prior to the public hearing (IC 6-1.1-17-3)).

September 12: The count for students in Average Daily Membership (ADM) shall be taken. (511 IAC 1-3-1)

The count for Average Daily Membership (ADM) shall be taken on this date. (511 IAC 1-3-1) (New and changed forms and procedures are required in recent years including DOE-ME submitted by individual student record via the STN Application Center. Form DOE-ME and Form 30A must be mailed to the Department of Education, Office of School Financial Management, as soon as possible after September 12, 2008, and no later than October 3, 2008.

September 17: Last date for second publication of school corporation budgets (3 days before the public hearing). (IC 5-3-1-2)

September 20: Last date for public hearing on proposed budget (at least 10 days prior to the adoption of the budget). Taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. (IC 6-1.1-17-5)

September 20: Last day to report and make payment of state and county income tax withheld during August to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007, of "The School Administrator and Uniform Compliance Guidelines.")

September 20: Last date to conduct a public hearing and to pass a resolution to adopt Capital Projects Fund and Transportation - School Bus Replacement Fund Plans. (IC 20-46-6 and IC 20-46-5)

Last date to file appeals for an excessive tax levy. (IC 6-1.1-18.5-12) (See I C 6-1.1-18.5-16 concerning shortfall appeals.)

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- September 22: Meeting of County Tax Adjustment Board is September 22, 2008. If September 22 is not a business day, then the last date for the first meeting is the first business day following September 22. (IC 6-1.1-29-4) Each County Board of Tax Adjustment, if applicable, shall hold its first meeting of each year on September 22nd or on the first business day after September 22nd if September 22nd is not a business day. See Public Law 146, 2008.
- September 30 Last date for meeting of school boards to make appropriations for 2009 and to fix tax levies. (IC 6-1.1-17-5)
- Note: Contact the Department of Local Government Finance concerning the possibility of alternate dates.

**OCTOBER**

- October 1: On or before October 1 all duties of the County Board of Tax Adjustment must be completed, except for a consolidated city and county and in a county containing a second class city, these duties need not be completed until November 1. (IC 6-1.1-17-9) IC 6-1.1-17-12 provides for a notice procedure by the county auditor and an appeal procedure. See Public Law 146, 2008.
- October 1: Prove all ledgers for the month ending September 30 as outlined for the month of August.
- October 3: ADM report (Forms DOE-ME and 30 A) due on or before October 5. Please contact the Department of Education for detailed instructions.
- October 13: Legal Holiday - Columbus Day. (IC 1-1-9-1)
- October 20: Last day to report and make payment of state and county income tax withheld during September to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007 of "The School Administrator and Uniform Compliance Guidelines.")
- October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.
- October 31: Requests for textbook reimbursement must be received by the Department of Education, Office of School Financial Management Analysis. The information is required to be filed via electronic reporting per instructions provided by the Office of Financial Management.

**NOVEMBER**

- November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.
- November 4: Legal Holiday – Election Day (IC 1-1-9-1)
- November 11: Legal Holiday – Veterans' Day.

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- November 20: Last day to report and make payment of state and county income tax withheld during October to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007 of "The School Administrator and Uniform Compliance Guidelines.")
- November 27: Legal Holiday - Thanksgiving Day. (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14)

**SCHOOL FOOD SYSTEMS - PREPAID FOOD**

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items.

A column titled "Prepaid Food" is added to the Daily Record of Cash Received, Form SF-2, for recording prepaid amounts received which have not been identified as to revenue type, i.e., lunch, breakfast, etc. Amounts will be entered both in "Prepaid Food" and "Total Cash Received" for each day because cash has been received.

Another column "Prepaid Food Applied" is also added to Form SF-2, which will show periodic (and monthly) activity whenever prepaid meals are identified (charged to breakfast, lunch, etc.). Amounts in "Prepaid Food Applied" should at all times equal for each day, the amounts charged to various categories, i.e., student lunch, adult breakfast, etc. that were not paid for in cash. Amounts will not be added to "Total Cash Received" because cash has been previously entered and recognized in "Prepaid Food". You are merely transferring "Prepaid Food" to the applicable categories.

The final column added to SF-2 is "Prepaid Food Trust", which is the running balance column which shows the difference between "Prepaid Food" and "Prepaid Food Applied". The amounts in "Prepaid Food Trust" are deducted from the "Balance" column in SF-3 Form, School Food Service Cash Disbursements which then should equal the amount in the new SF-3 Column "Available Cash Balance". Amounts are not entered in "Total Cash Received" because "Prepaid Food Trust" is merely a balance column. Computerized systems should provide a list, by student, of cash balances which should sum to the "Prepaid Food Trust".

The Ledger of Receipt, Disbursement and Balances, SF-4 Form should also show appropriate columns for those transactions.

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**GROUP INSURANCE - DEPENDENTS OF EMPLOYEES**

Official Opinion 50 of the Attorney General of the State of Indiana, issued in 1965, concluded that there is no statutory authority for a governmental unit to purchase group hospitalization insurance coverage for dependents of employees. However, the Attorney General issued Official Opinion 44 (1966) as a clarification of the 1965 opinion.

The 1966 opinion concluded that a governmental unit may contribute toward the insurance of legal dependents of the employee. By "legal dependents" the opinion refers to those dependents for whom the employee is required by law to pay their medical expenses, which would include the employee's wife and minor dependent children. However, not included are those persons, whether or not related, for whom the employee voluntarily assumes liability for such expenses or insurance coverage.

IC 5-10-8-2.6(c) states in part "A public employer may pay a **part** of the cost of group insurance . . ." (Our Emphasis) Therefore, a school corporation may not pay the entire cost of such insurance.

**LEAVE OF ABSENCE – OFFICERS AND EMPLOYEES WHO ARE MEMBERS  
OF THE INDIANA NATIONAL GUARD OR RESERVES**

IC 10-16-7-5 states "(a) This section applies to all offices and employees of the state or any county, township, municipality, or school corporation in Indiana who are members.

(b) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to regular vacation period without loss of time or pay for the time that the member is:

- (1) on training duties of the state under the order of the governor as commander in chief; or
- (2) a member of any reserve component under the order of the reserve component authority; for any consecutive or nonconsecutive period that does not exceed a total of fifteen (15) days in any calendar year. The entitlement to a leave of absence without loss of time or pay provided in this subsection is not at the discretion of the member's employer.

(c) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to the member's regular vacation period for the total number of days that the member is on state active duty under section 7 of this chapter. A leave of absence provided under this subsection may be with or without loss of time or pay at the discretion of the member's employer."

IC 10-16-7-6 states in part " A member of the Indiana national guard is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to the member's regular vacation period for the total number of days that the members is on state active duty under section 7 of this chapter. The leave of absence may be with or without loss of time or pay at the discretion of the member's employer."

Unofficial Opinions of Attorney General of the State of Indiana, court decisions and statutory provisions provide us with the following audit position:

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**LEAVE OF ABSENCE – OFFICERS AND EMPLOYEES WHO ARE MEMBERS  
OF THE INDIANA NATIONAL GUARD OR RESERVES**

(Continued)

- (1) Officers or employees of a school corporation are entitled to a leave of absence for military service with consideration of compensation in accordance with the aforementioned.
- (2) Any compensation shall be in addition to the military pay received by a school corporation officer or employee if authorized as stated above.
- (3) Any compensation would be for regular days of school corporation employment missed.
- (4) The officer or employee is required to furnish the school corporation with proper certification orders to support the claims for compensation while absent on military duty.

**STUDENT HELP FOR SCHOOL LUNCH PROGRAMS**

All student helpers working in the school cafeteria or kitchen must be paid for such services, and pay for their own lunches in the same manner and amount as other students. There is no provision in the School Lunch accounting system for furnishing meals as payment or part payment for services rendered by students.

Student helpers in the school lunch program should be paid from the School Lunch Fund for their services in compliance with a schedule adopted by the board of school trustees. Remuneration per hour should be fixed by the board of school trustees and all student helpers paid accordingly. Students performing services for any school in which they are enrolled, and are regularly attending classes are not considered employees for purposes of the Indiana Minimum Wage Law. IC 22-2-2-3 states in part "Employee" means any person employed or permitted to work or perform any service for remuneration or under any contract of hire, written or oral, express or implied by an employer in any occupation, but shall not include any of the following: . . . Students performing services for any school, college, or university in which they are enrolled and are regularly attending classes . . ."

A daily record must be kept by the cafeteria manager, or other person in charge of the lunch room, showing the name of each individual and the hours worked each day. The record must be submitted daily to the treasurer. The treasurer, on the basis of information submitted should periodically issue individual checks to each student helper, weekly, bimonthly, or in any manner determined by the board of school trustees. The student will follow local procedures for buying meals like all other students.

The procedure outlined above should be followed whether the school lunch program is handled through the school corporation account, or through an extra-curricular account or accounts.